

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF AUXIER ROAD GAS) CASE NO. 2012-00478
COMPANY, INC.)

ORDER

On April 2, 2009, in Case No. 2008-00156, the Commission approved the Gas Cost Adjustment ("GCA") clause of Auxier Road Gas Company, Inc. ("Auxier") allowing for the monthly adjustment of its rates.¹

On October 30, 2012, Auxier filed its proposed GCA to be effective December 1, 2012.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Auxier's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Auxier's notice sets out an Expected Gas Cost ("EGC") of \$5.4221 per Mcf, which is an increase of \$.9526 per Mcf from its prior EGC of \$4.4695 per Mcf.
3. Auxier's notice sets out no current Refund Adjustment.

¹ Case No. 2008-00156, Application of Auxier Road Gas Company, Inc. for an Adjustment in Rates and Certain Nonrecurring Charges (Ky. PSC Apr. 2, 2009).

4. Auxier's notice sets out a current month Actual Adjustment ("AA") of (\$.0526) per Mcf. Auxier's total AA is (\$.9416) per Mcf, which is an increase of \$.0297 per Mcf from its previous total AA of (\$.9713) per Mcf.

5. Auxier's notice sets out no current month Balance Adjustment ("BA"). A current BA in the amount of \$.0005 per Mcf is required to reconcile net under-recoveries resulting from an expired AA. Auxier's total BA of (\$.0398) per Mcf represents a decrease of \$.0004 per Mcf from the previous total BA of (\$.0394) per Mcf.

6. Auxier's Gas Cost Recovery rate is \$4.4407 per Mcf, which is an increase of \$.9819 per Mcf from its previous rate of \$3.4588 per Mcf.

7. The rates in the Appendix to this Order are fair, just and reasonable, and should be approved for billing for service rendered by Auxier on and after December 1, 2012.

IT IS THEREFORE ORDERED that:

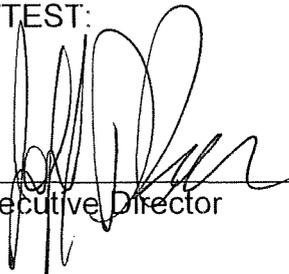
1. The rates proposed by Auxier are denied.
2. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after December 1, 2012.
3. Within 20 days of the date of this Order, Auxier shall file its revised tariff sheets with this Commission setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

Commissioner Breathitt is abstaining from this proceeding.

ENTERED *PH*
NOV 16 2012
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00478 DATED NOV 16 2012

The following rates and charges are prescribed for the customers served by Auxier Road Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First Mcf (Minimum Bill)	\$ 6.36	\$4.4407	\$ 10.8007
All Over 1 Mcf	\$ 5.0645	\$4.4407	\$ 9.5052

SUMMARY OF PURCHASED GAS ADJUSTMENT FILING
for Auxier Road Gas Company, Inc.

Case No.: 2012-00478
Filing Date: October 30, 2012
Proposed Effective Date: December 1, 2012
Approved Effective Date: December 1, 2012

Wholesale Gas Suppliers: Cumberland Valley Resources, Aei-Kaars Drilling,
Chesapeake Energy, Nytis Exploration

Wholesale cost: Increased \$.9526 per Mcf
Retail rate: Increased \$.9819 per Mcf

Gas Cost Adjustment Components:

Expected Gas Cost	\$ 5.4221
Refund Adjustment	-----
Actual Adjustment	(.9416)
Balancing Adjustment	<u>(.0398)</u>
Gas Cost Adjustment	\$ 4.4407

Prepared by: Leah Faulkner

Date: November 9, 2012

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